VZCZCXRO3439 RR RUEHIK RUEHPOD RUEHPW RUEHYG DE RUEHBUL #4122/01 3511223 ZNR UUUUU ZZH R 171223Z DEC 07 FM AMEMBASSY KABUL TO RUEHC/SECSTATE WASHDC 1908 INFO RUCNAFG/AFGHANISTAN COLLECTIVE RUEHZG/NATO EU COLLECTIVE RUEKJCS/OSD WASHINGTON DC RUEKJCS/JOINT STAFF WASHINGTON DC RHMFIUU/HQ USCENTCOM MACDILL AFB FL RUCNDT/USMISSION USUN NEW YORK 4313 RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC RUEAIIA/CIA WASHINGTON DC RHEFDIA/DIA WASHINGTON DC

UNCLAS SECTION 01 OF 02 KABUL 004122

SIPDIS

DEPARTMENT FOR SCA/FO DAS GASTRIGHT, SCA/A STATE PASS TO USAID FOR AID/ANE, AID/DCHA/DG NSC FOR WOOD OSD FOR SHIVERS CENTCOM FOR CG CSTC-A, CG CJTF-82 POLAD

SIPDIS

E.O. 12958 N/A TAGS: <u>ECON</u> <u>AF</u>

SUBJECT: DEVELOPMENT IN NURISTAN: POURING THE FOUNDATION

11. Summary: Development has progressed significantly in Nuristan over the past year. Road projects have begun and small electricity generation projects have already transformed life in population centers. For the first time ever, local pipe projects have brought water directly to some towns. The provincial administrative center, Parun, has grown from practically nothing to a genuine town in just the past year. There is a long way to go. There are no plans to link Nuristan to the national power grid. For that reason, Nuristan needs to develop its own small-level power generation capacity. Without the near-term prospect of an industrial power generation capacity, economic development cannot proceed. End Summary.

The Road to Progress

- 12. Governor Tamim Nuristani declared 2007 to be "the year of the road" in Nuristan. In a province in which there are still no asphalt roads, the beginning of work on major paved roads through the province's three main valleys is significant. The USG is financing all these projects. By the summer of 2008, the three valleys, accessible only by foot until now, will have road links for the first time in history.
- 13. Roads are significant as facilitators of political development, economic growth and security. Politically, Governor Tamim wants to make it eventually possible for people from throughout Nuristan to drive to Parun without leaving the province. While these roads will not accomplish this goal, they will bring its realization much closer. In addition, they will cut both transport time and its attendant costs significantly. This will provide a major boost to the development of Nuristan's primary cash enterprises: gem mining, timber exploitation, and the sale of specialty agricultural products, such as dried fruit and pine nuts. Unfortunately, they may also facilitate deforestation and smuggling as well. The roads will also extend the reach of government security forces. They will not be of corresponding benefit to insurgents, because the insurgents tend to move by foot cross-country to avoid detection.

Power to the People

 $\underline{1}4$. If 2007 is the year of the road in Nuristan, 2008 will be the year of power generation. There are currently no factories at all in Nuristan, and Governor Tamim wants to change that situation.

However, the only power generation capacity in Nuristan now comes from micro-hydroelectric plants and diesel generators. These are insufficient to supply industrial needs. What is more, there are no plans whatsoever to link Nuristan to the national power grid.

15. If Nuristanis want power, they are going to have to supply it themselves. Fortunately, the province has the blessings of significant water resources. Its three main rivers are not large, but they run strong all year, and can probably support at least mini (100 kilowatt to one megawatt) or small (one to ten megawatt) hydroelectric plants. The PRT has funded feasibility studies for hydroelectric plants in Kala Gush (on the Alingar River, in western Nuristan), Parun, and Kamdesh. These locations are potential nodes of economic activity, and would serve a majority of the province's population. Without the near-term prospect of an industrial power generation capacity, however, economic development cannot proceed.

Thinking Small

16. Small development projects have had an impact in locations throughout the province. Local pipe scheme projects have brough water into some towns for the first time in istory.

Micro-hydroelectric plants (usually wth a capacity of under ten kilowatts) have changed life by bringing clean light and heat into homes. On a commercial basis, cellular telephone towers have appeared across the provinc. Internet connections remain few and far beween, but even a single terminal in Parun has seved to link the provincial government with the outside world.

Downtown

 \P 7. The provincial administrative center, Parun, has grown into a KABUL 00004122 002 OF 002

genuine town in just the past year. Governor Tmim has a "city plan," as he calls it, which would triple the town's size in another year. This will have a tremendous impact on the province's development in many ways. First, Parun is developing into an economic center in its own right. The half-dozen market stalls of a year ago have already doubled, and many stores are now in a brick-and-mortar building. The construction activity has drawn a sizeable population into the area. The beginning of construction on a aved road from Parun south to the Pech Valley wll attract even more people. Another impact comes from new governmental capacity that the town's development brings. With offices, housing, and services, Parun will support a real provincial government. Parun will never be more than a small town, but reaching "small town" status will allow it to function as a provincial center.

A Long Row to Hoe

18. The level of development activity is still very low in Nuristan. Non-Governmental Organizations are almost non-existent because of the security situation. The lack of government capacity makes it difficult for the international community, including the PRT, to engage in more than a few projects at once. However, the low level of development means that a small injection of funds can go a long way. With road projects underway, the next most basic need to meet is electrical power. When that is in place, even in a small way, the province will be able to move to the next level of economic activity.

WOOD